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## IV. COLONIES AND COLONIAL GOVERNMENT.

**Porto Rico.**—A little over a year has now passed since the system of government for Porto Rico, established by the law of April 12, 1900, was put into operation, and the first annual report of the governor shows a remarkable record of progress achieved during this time. As provided by the law of 1900, the most important powers of government are vested in the executive council, and the work of that body during the past year has necessarily been of a decisive character in determining the precedents for future years. One of the principal powers conferred upon the council was the granting of franchises, subject to congressional approval, and during the last year over fifty-three applications for important public concessions have been submitted, covering railroads, wharves, water rights, telephones, tramways, telegraphs, ferries and automobile lines. Comparatively few have as yet been granted. The most important of this class of questions which has recently been decided by the executive council is the franchise of the so-called French Railroad Company. The company enjoyed a government guarantee of an 8 per cent dividend upon the cost of construction under the Spanish régime. This guarantee was discontinued by the United States, and it became necessary to make a complete readjustment of the relations between the company and the insular government. The importance of the railroad to the economic development of a large part of the island was recognized by the executive council, but, on the other hand, the council did not feel justified in continuing a guarantee which would in all probability prove a serious burden to the finances of the insular government. After protracted negotiations a plan was agreed upon to the satisfaction of both parties. The company has reorganized as an American corporation and has waived all claims for guaranty of its dividend, in return for which it has been exempted from taxation for twenty-five years, has received franchises for the construction of branch lines and a lease of land in the city of San Juan for fifty years at a nominal rental. In the meantime a new company, with American capital, has secured the necessary franchise for a railroad and is planning to begin construction work in the near future.

In the administration of justice an important advance has been made by depriving the mayors of municipalities of their jurisdiction in criminal cases and establishing police courts, one in each municipality. Until the last session of the legislature persons arrested for petty offences were tried before the mayors of the various *municipios*. This led, it was claimed, to the introduction of politics into the

trial of such petty criminal cases; the legislature has accordingly provided for a system of police magistrates for the trial of such cases. The magistrates are appointed by the governor, one in each of the sixty-seven municipalities, and are thereby removed from the disturbing influences of local politics. In addition to these magistrates' courts there are municipal courts with a limited jurisdiction. The island is also divided into five judicial districts, with a district court composed of three judges in each district. The decisions of these courts may be reviewed by the Supreme Court of Porto Rico sitting as a court of cassation. A large majority of the cases coming before the district courts are criminal cases, a fact which is attributable to the unrest caused by the change of sovereignty, the lack of employment following the hurricane and other disturbing influences.

The treasurer's department, in particular, shows the remarkable progress made during the past year. A system of internal taxation, based in the main upon the general property tax, has been adopted, and affords the opportunity provided for by the Foraker law to abolish the customs duties on trade between the United States and Porto Rico. On July 4 of the present year the legislative assembly in extra session passed a resolution pointing out that the revenue system of the island was sufficient to meet insular expenditures, and asking the President to issue the proclamation of free trade between Porto Rico and the United States, contemplated by the Foraker act. With the adoption of this change, which took place on July 25, it is expected that the American markets for Porto Rican products may be considerably enlarged. It is especially hoped that coffee and tobacco exports will be increased. A glance at the census of Porto Rico will show that coffee is one of the principal, if not the principal, product of the island. The coffee and tobacco lands, however, are situated in the interior and are difficult of access. The high cost of transportation, together with the duties levied upon these products when imported into the United States, have unduly limited their natural markets in America. One of the immediate results of free trade with the United States was the introduction of a large quantity of Brazilian coffee by way of New York. Considerable indignation was manifested, and a boycott organized, whereupon the coffee was reshipped to New York. An interesting feature of the financial system adopted in Porto Rico has been the central control over municipal finances. The necessity for this control has been clearly shown by the experience of the last year. A large percentage of the municipal budgets submitted to the central authorities have contained many defects to which attention is called in the governor's report. The most important of these are illegal taxation, the falsification of assets or receipts,

and the excessive expenditure for salaries. In sixty-five of the municipal districts 23 per cent of the total expenditure was devoted to salaries.

Next to the change wrought by the abolition of the American tariff, the greatest impetus to the economic development of Porto Rico may be expected from the system of roads now under construction. The military government pursued the plan of road-building in various parts of the island, not only for the purpose of affording means of communication, but more especially to provide employment for the poorer classes after the hurricane. The Department of the Interior, under the civil government, is now directing its attention primarily to the development of certain trade routes, from which it is thought that a permanent change in the accessibility of the interior lands will result, and thereby, also, a perceptible diminution in the cost of production of insular products.

The work of the Department of Education has been perhaps the most interesting of all that has been undertaken by the insular government. The illiteracy of Porto Rico is well-nigh discouraging and the funds at the command of the Commissioner of Education have been limited. Previous to American control there were no buildings erected for school purposes on the island, and the absence of good roads has continually rendered the task of supervision difficult, while there was, as the commissioner has pointed out, a lack of active public sentiment to sustain the public-school system. The number of children admitted to the schools in October, 1900, was 40,000. This was, of course, a very small percentage of the population of school age. According to the new school law passed by the legislature at its last session, not less than ten per cent nor more than twenty per cent of all moneys received by each municipality must be set aside as a school fund. Within these limits the amount devoted by each municipality to educational purposes is determined by the municipal council. The management of schools in each district is entrusted to a school board of three members elected by the people. The power of supervision is retained by the Commissioner of Education as provided by the organic law. The interest and efficiency of the teachers have been stimulated by a series of teachers' courses held during the summer at San Juan, for which over seven hundred and fifty teachers and persons in preparation for the teaching profession were registered.

In the preservation of order the insular government has made an interesting departure from the methods heretofore in vogue upon the mainland by establishing a corps of police entirely under the control of the Central Government. This body, composed of 664 officers and men, distributed throughout the island, includ-

ing nearly all of the cities, has supplanted the municipal police forces and resulted in a considerable saving to the local governments. The standard of efficiency has been raised, and it is safe to say that the rapid improvement in the order of the island is due in no small degree to the thorough and systematic organization of the insular police. Another interesting development in American administrative methods is seen in the bureau of charities. The insular board of charities has been superseded by a single director of charities who possesses not only extensive powers of inspection and supervision over the charitable institutions of the various municipalities, but also a complete control over the charitable institutions of the insular government. A similar change toward a greater concentration of power has been made in the management of correctional institutions, by the substitution of an insular director of prisons for the board of prison control.

**The Philippines.**—The commerce of the Islands is steadily increasing, the imports having reached the highest point known in the history of the archipelago. Until recently the poor condition of the shipping facilities at Manila has caused long delays in the unloading of goods destined for that port. This in turn led to high freight rates to cover the time lost by large vessels in port. The improvement in the shipping facilities has now reached a point where these delays are being rapidly reduced and a corresponding increase in the direct shipments to Manila is observable. It is expected that with the consequent lowering in the freight rates the prices of American goods may be reduced to such an extent as to increase their consumption in the Philippine markets. While the total value of merchandise, gold and silver exported from the Philippines during the calendar year 1900, shows an increase of more than one-third over the exports for the year 1899, the exports to the United States have increased only one-quarter. On the first of July the civil government as planned went into operation. The Philippine Commission was succeeded by a governor and a cabinet composed of heads of executive departments. Judge Taft, the president of the former commission, was appointed governor, while the other members of the commission have been made chiefs of the several departments.

An interesting question relating to the executive organization of our new possessions has presented itself, viz., should the power to appoint the heads of departments be vested in the President of the United States or in the governor of the territory or dependency? It seems probable that with the gradual evolution of a distinct form of government for the new dependencies the power of choosing the heads of the departments may be vested in the governor. There is a vast dif-

ference between the powers exercised by the executive in the new possessions from that exercised by the governor of a territory upon the mainland. In the latter case the governor is seldom required to perform functions of a highly important character, whereas in the new possessions the governor's position is in many respects the determining factor in the government. The greater the powers of the executive department, the more sharply defined must be the responsibility, and, after the most urgent necessity for control by the President of the United States has passed, it may be expected that a form of organization looking to a greater concentration of responsibility and power within the insular governments will be developed. In this respect the governments of Hawaii and Porto Rico present a sharp contrast to each other. The heads of departments in Porto Rico are nearly all appointed by the President of the United States, and are therefore placed in a position of considerable independence with reference to the governor, whereas the Governor of Hawaii appoints all the heads of departments, even including the auditor and assistant auditor. In the case of Porto Rico the peculiar organization was doubtless justified by the undeveloped political condition of the island and by the necessity that the President should exercise a direct control over the introduction of the new governmental system; but, as the insular government becomes firmly established, a closer approximation to the Hawaiian form would seem desirable.